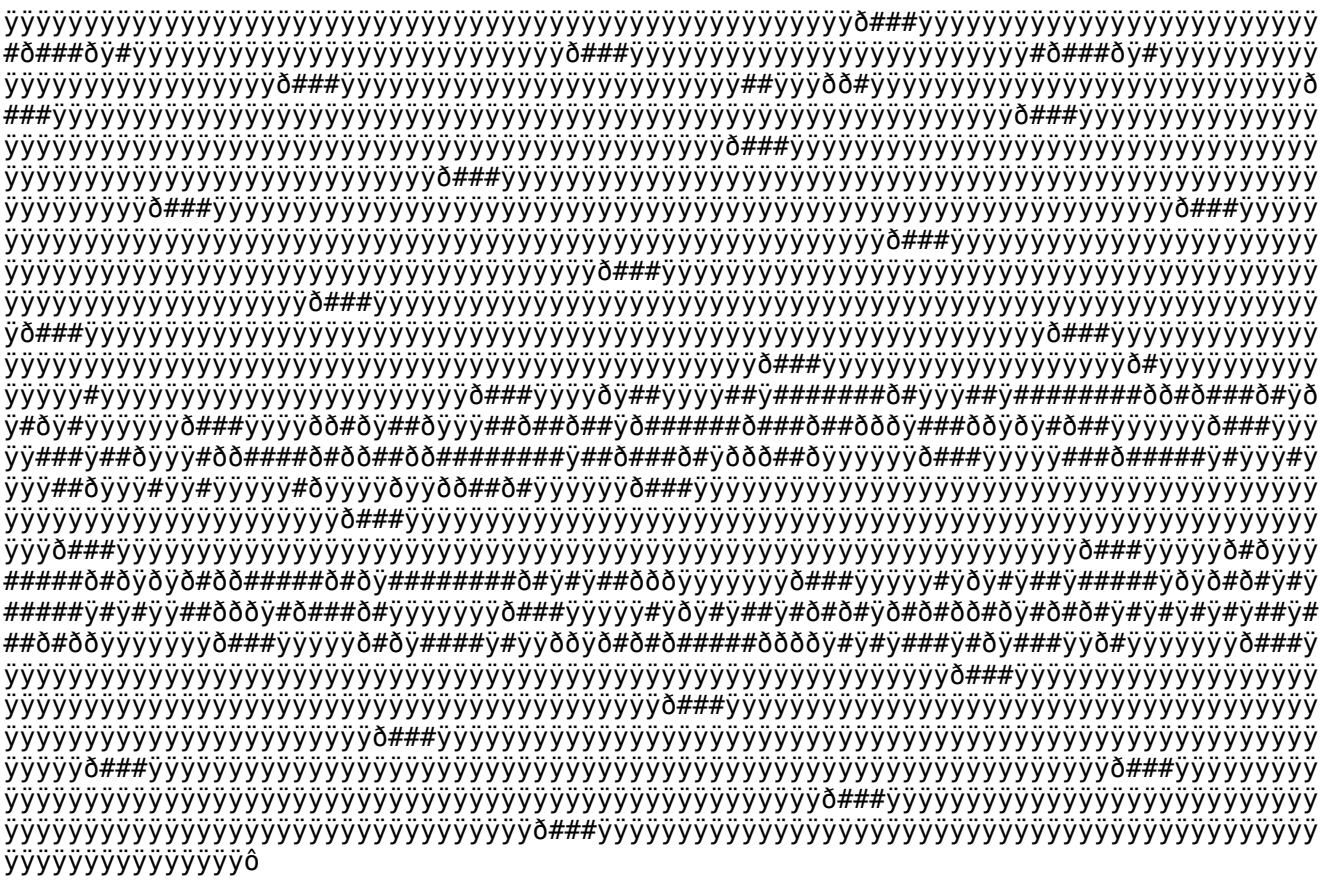

ûW   Àýÿÿ####ÿÿ#####ÿ##ÿÿd#########d#########:###CIVILIAN PERSONNEL SEMINAR NSWC
Budget Workshop March 1999

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################# ##########################ÿ#ÿÿd#########d#########2####yö¬ú'
      4##############ÿ#ÿÿd#########d#########ï###CPRRS Extrapolation Process
Calculating FY 99 Average SalaryPrice Growth Factors  Calculating Prior Year Pay
raise;Current Year Pay raise; andChange in DaysBuilding FY 00 and FY 01 Average
Salaries using Price        Growth Factorsö
```

#'#########'##### ###########'#########'####ÿ□#ÿÿd#########d#########2##□##¹õ\üw d#ÿÿ####ÿÿ#####ÿ##ÿÿd#########d#########ð###Used to estimate current year basic compensation costs.Used to calculate effective rate of pay raises. GS pay raises are given on calendar years (Jan - Dec), yet the budget is calculated on fiscal years. (Oct - Sep) Therefore, one must use the CPRRS extrapolation process to accommodate this difference.These steps are Completed for each Pay Plan category for Full Time Permanent and Other in order to complete the CP-2Wage grade computations will vary based on the pay raise effective dates

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      t#ÿÿ####ÿÿ#####ÿ##ÿÿd#########d#############This example uses CPRRS Level
III information as of February.Applies execution rate in February to end of year
then adds in cumulative through February actual execution.Assumes February is
□clean.□ The final pricing model submitted to FMB will be based on March CPRRS.
```

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      ÷□þ×#Ü#ÿÿ####ÿÿ#####ÿ##ÿÿd#########d#########æ###     Basic Comp  Basic Comp
      Dollars     Hours DaysCumulative February*      $546,118     29,011       107
Month February*   $85,811     4,472   20CPRRS Days from March through September
154CPRRS Hours in FY 1999                 2,088
```

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This information is obtained from the CPRRS level III reports.

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$ÿÿÿ####ÿÿ#####ÿ##ÿÿd#########d#############Step 1. Compute the projected Basic Compensation dollars for March through September. Using February month only CPRRS dollars (Basic Compensation), divide by the number of days in February. Then multiply the resulting number by the number of CPRRS days remaining in the fiscal year.#

##ÿ□#ÿÿd#########d######
###1##□##LøYÿÄ#`#ÿÿ####ÿÿ#####ÿ##ÿÿd#########d#########y###Ex: GS: $85,111 / 20
= $4,291 Daily Rate for February$4,291 per day X 154 days = $660,745 (March
- September)ÿ

```
#'#########'#####,###########'#########'####ÿ□#ÿÿd#########d#########2##□##©ö□üW
      ##ÿÿ####ÿÿ#####ÿ##ÿÿd#########d#########:###Step 2.  Compute the total
annual projected Basic Compensation dollars by adding the projected Basic
Compensation dollars from Step 1 to the actual Basic Compensation dollars expended
through February.        Mar-Sep          Oct-Feb     =      Oct-Sep
$660,745       +     $546,118       =      $1,206,863
```

```
############################################ÿ□#ÿÿd#########d#########2##□##yö#ý'
      Ô##############ÿ□#ÿÿd#########d#########Ô###Step 3.  Compute the projected
Basic Compensation Hours from March through                September.       Ex:
GS:         4,472 / 20   = 224   Daily hrs for February          224  per day  X
154 days  =  34,434  (March -Sept)
```

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4#ÿÿ####ÿÿ#####ÿ##ÿÿd#########d#########8###Step 4. Compute the total annual projected Basic Compensation hours by adding the projected Basic Compensation hours from Step 3 to the actual Basic Compensation hours expended through February.

Mar-Sep		Oct-Feb	=	Oct-Sep
34,434	+	29,01	=	63,445

#################,#########################ÿ□#ÿÿd#########d#########2##□##©ö□üW t#ÿÿ####ÿÿ#####ÿ##ÿÿd#########d#########v###Step 5. Manpower pricing models and budget exhibits are based on average basic compensation per workyear. We compute it here first by dividing the total annual projected Basic Compensation dollars by the total annual projected Basic Compensation hours to come up with a weighted average hourly rate. ex. Step 2 divided by Step 4. ($1,206,863 / 63,445 = $19.02)Step 6. Next determine the Average Basic Compensation cost by multiplying the weighted average hourly rate by the number of hours in the fiscal year. This gives us compensation cost per workyear. ex. Step 5 multiplied by 2088. ($19.02 x 2,088 = $ 39,718)

#################,##########################ÿ□#ÿÿd#########d#########2##□##yöLý'
4#ÿÿ####ÿÿ#####ÿ□#ÿÿd#########d#############Step 7. Determine the Projected Number of Workyears to be executed in fiscal year 1999 by dividing the total annual projected basic Compensation hours by the total number of hours in fiscal year 1999.   ex. Step 4 divided by 2088. (63,445 / 2088 = 30 workyears)

#################,#########################ÿ□#ÿÿd#########d#########2##□##yöìü'
d### ##########ÿ□#ÿÿd#########d#########(###Step 8. Compute the Basic Compensation Dollars by multiplying the weighted average annual basic compensation cost by the annual workyear projection and dividing the resulting number by 1000. (Round to nearest thousand) ex. Step 6 X Step 7. ($39,718 x 30) = $1,191,540 / 1000 = $1,192K

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´#ÿÿ####ÿÿ#####ÿ□#ÿÿd#########d#########ð###Government budgets are based on a fiscal year which begins October 1. Pay raises are effected on a calendar year basis (January to January).Employees are paid two different rates: from October to January from January through September

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############################################ÿ□#ÿÿd#########d#########3##□##¼÷
#7ÿú#ÿÿ####ÿÿ#####ÿ##ÿÿd#########d#########□###Pay Raises (national avg)FY 98 PR=
3.10 % (incl locality)FY 99 PR=  3.60 %  (incl locality)FY 00 PR=  4.40 %FY 01 PR=
3.90 %p
```

```
##########ÿ□#ÿÿd#########d#########ù###         FY 98
      FY 99                         FY 00                   FY 01 [
            ][                            ][                      ][
            ]Oct        Jan               Oct         Jan               Oct
      Jan         Oct               Jan         Oct   Prior Year   [          ]
      68 Days           Current Year                  Prior  Year /261  [
      ][          ]     .2605       193 Days                67 Days     x 3.00 %
      /261              /261        Current Year                  Prior Year
      .007816           .7395             .2567 [                 ][          ]
      Current Year                  Prior Year              x 3.10
      x 3.10%           194 Days                66days      [           ][
            ]
                  .022923                 .007958           /261              /261
      195 days                75 days     [           ]
                  .7433             .2529       /261              /260        185
days                    Annualized              x 3.60  %               x 3.60 %
      .7471             .2885       /260
      .0268             .0091       x 4.40.%                x 4.40%           .7115
                                                                        .0329
      .0127       3.90%                                                 Annualized
                                    .0278
                                    Annualized
```

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      t#ÿÿ####ÿÿ#####ÿ□#ÿÿd#########d#########Ç###Change in Paid Days calculation
Actual number of paid days in a fiscal year varies.Depending on what day the year
started on and if it is a leap year there may be one more paid day in a fiscal
year.#
```

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##############ÿ□#ÿÿd#########d#########□###On the following pages we will do step-by-step calculations that will give us the increased cost per workyear associated with prior year pay raise, current year pay raise, and change in days. This will be done beginning with the FY 99 Average Salary we calculated using the CPRRS Extrapolation process earlier.Ex: FY 1999 Basic Average Salary

$39,718 + Prior Year Pay raise (incr. cost per w/y)
________ + Current Year Pay raise (incr.cost per w/y)
________ + Change in Days (cost per w/y)
____

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□#ÿÿ####ÿÿ#####ÿ##ÿÿd#########d#########□###   GS Basic Average Salary Prior Year:
      FY 99 FY 00       Current Year:          FY 00 FY 01Step 1:  Determine the
Prior Year Pay Raise Factor □A□    Number of Days effect in prior year (Jan thru
Sep)              194   195/  Total number of days in prior FY              261
      261   Percent of prior year pay raise paid out in prior year
.7433           .7471 x Legislated prior year pay raise               3.60% 4.40%
      Effective pay raise paid out in prior year
.0268             .0329      + 1              1     1     Fully applied pay raise
factor for prior year                                  1.0268          1.0329
      Number of Days  for current year(Oct - Dec)
66                75/   Total number of days              261   260   %of prior
year pay raise to be paid out this FY                                          .
2529             .2885x Legislated  prior year pay raise              3.60% 4.40%
      Effective pay raise of prior year paid this FY
.0091           .0127/  Fully applied pay raise factor for prior year
1.0268          1.0329  Prior Year Pay Raise Factor □A□
.0089           .0123\
```

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%#ÿÿ####ÿÿ#####ÿ##ÿÿd#########d#########□###   GS Basic Average Salary
Prior Year:             FY 99 FY 00       Current Year:          FY 00 FY 01Step 2:
Determine the Current Year Effective Pay Raise Factor □B□  Number of Days in
current year (Jan thru Sep)              195   185/  Total number of days in
current FY              261   260   Percent of current  year pay raise to be paid
out                                       .7471           .7115xLegislated current
year pay raise                4.40% 3.90% Effective Current Year Pay Raise Factor
□B□                                       .0329           .0278Step 3:  Determine
Change in Paid Days Factor □C□                        Total number of days in
current FY              261   260-  Total number of days in Prior FY
      261   261   Change in number of paid days
0                  -1/  Total number of days in Prior FY               261   261
      Change in Paid Days Factor □C□
0            -.0038P
```

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D##############ÿ#ÿÿd#########d#########T###To determine the average basic compensation for FY 00 we must apply these factors to the average basic compensation for FY 1999Step 1: FY 99 GS Avg Basic Comp Salary ($39,718) x Prior Year Pay Raise Factor A (.0089) P.Y. Pay Raise Adjustment ($353.50) Step 2: FY 99 GS Avg Basic Comp Salary ($39,718) + P.Y. Pay Raise Adjustment from Step 1 ($353.50) x Current Year Pay Raise Factor B (.0329) C.Y. Pay Raise Adjustment ($1318.35)

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t#ÿÿ####ÿÿ#####ÿ□#ÿÿd#########d#############Step 3: FY 99 GS Avg Basic Comp Salary ($39,718) + PY Pay Raise Adjustment from Step 1 ($353.50) + CY Pay Raise Adjustment from Step 2 ($1318.35) x Change in Paid Days Factor □C□ ($0) Change in Paid Days Adjustment ($0) Step 4: FY 99 GS Avg Basic Comp Salary ($39,718) + PY Pay Raise Adjustment from Step 1 ($353.50) + CY Pay Raise Adjustment from Step 2 ($1318.35) + Change in Paid Days Adjustment from Step 3 ($0) FY 00 GS Avg Basic Comp Salary ($41, 390)

#&#########&#####$###########&#########&####ÿ□#ÿÿd#########d#########2##□##¡õÜú_
##############ÿ□#ÿÿd#########d#########□###Now, based on the average basic compensation for FY 00, and the factors determined previously, determine the average basic compensation for FY 01.Step 1: FY 00 GS Avg Basic Comp Salary x Prior Year Pay Raise Factor □A□ P.Y. Pay Raise Adjustment Step 2: FY 00 GS Avg Basic Comp Salary + P.Y. Pay Raise Adjustment from Step 1 x Current Year Pay Raise Factor □B□ C.Y. Pay Raise Adjustment

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###2##□##©ö□üW    t#ÿÿ####ÿÿ#####ÿ□#ÿÿd#########d#########À###Step 3:    FY 00 GS
Avg Basic Comp Salary                    +     Prior Year  Pay Raise Adjustment
from Step 1            +     Current Year Pay Raise Adjustment from Step 2
      x     Change in Paid Days Factor □C□                       Change in Paid
Days Adjustment   Step 4:       FY 1998 GS Avg Basic Comp Salary
      +     Prior Year  Pay Raise Adjustment from Step 1              +
      Current Year Pay Raise Adjustment from Step 2             +     Change in
Paid Days Adjustment from Step 3                  FY 01 GS Avg Basic Comp Salary
```

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